



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 27, 2002

H.R. 4968 **Federal-Utah State Trust Lands Consolidation Act**

As ordered reported by the House Committee on Resources on September 12, 2002

CBO estimates that implementing H.R. 4968 would cost less than \$500,000, assuming appropriation of the necessary amounts. The bill could affect direct spending (including offsetting receipts); therefore, pay-as-you-go procedures would apply, but we estimate that any such effects would be insignificant.

H.R. 4968 would ratify an agreement between the federal government, the state of Utah, and the Utah School and Institutional Trust Land Administration. In doing so, the bill would provide for a roughly equal value exchange of about 243,000 acres of federal and state lands and interests. Based on information from the Bureau of Land Management (BLM), we estimate that federal costs to complete the proposed exchange would not exceed \$500,000. According to the BLM, the federal lands to be exchanged currently generate no significant receipts and are not expected to do so over the next 10 years. Hence, CBO estimates that conveying those lands would not result in a significant loss of offsetting receipts.

Some of the federal lands to be conveyed contain deposits of oil shale, which, according to BLM, are unlikely to generate significant receipts in the near future because the agency currently lacks authority to develop such resources. Under H.R. 4968, if the state develops those resources, the federal government would receive a portion of the income that they produce. The likelihood of such development and extent of possible proceeds are highly uncertain, but based on information from BLM, CBO assumes that any increase in offsetting receipts from such resources would not exceed \$500,000 a year over the next 10 years.

H.R. 4968 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. The only duties imposed on the state of Utah would be those assumed voluntarily by the state as a party to the exchange agreement, which has been signed by the governor and approved by the state legislature.

The CBO staff contacts for this estimate are Megan Carroll (for federal costs) and Marjorie Miller (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.